

FOR IMMEDIATE RELEASE

**For further information, contact
Dr. Chang Mook Sohn
(360) 570-6105**

OLYMPIA, November 16, 2000 --- There has been very little change to the economic outlook since the forecast adopted two months ago. As a result, the revenue forecast change due to economic factors is very small. The main change in the November forecast is a reduction due to the approval of Initiatives 722 and 728.

The General Fund-State revenue forecast for the 1999-01 biennium is \$21,168.9 million, an increase of \$39.1 million since the September forecast. The General Fund-State revenue forecast for the next biennium is \$22,327.1 million, a reduction of \$439.1 million since the September forecast. For the two biennia combined, the forecast change due to economic factors is a positive \$91.8 million but the forecast change due to the approval of the initiatives is negative \$491.8 million resulting in a net reduction of \$400.0 million.

As required by law, optimistic and pessimistic alternative forecasts were developed for the 1999-01 and 2001-03 biennia. The forecast based on more optimistic economic assumptions netted \$183 million more revenue in the current biennium and \$847 million more in the next biennium and than did the baseline forecast while the pessimistic scenario was \$181 million lower in 1999-01 and \$939 million lower in 2001-03. An alternative forecast based on the average view of the Governor's Council of Economic Advisors yielded \$12 million more revenue in this biennium and \$48 million more in 2001-03 than did the baseline forecast.

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